

THE SOUTH CAROLINA TEACHER LOAN PROGRAM

Annual Review

2003-2004

The Teacher Quality Act of 2000 provides that the South Carolina Education Oversight Committee "shall review the [SC Teacher] loan program annually and report to the General Assembly" (§59-26-20 (j), SC Code of Laws of 1976, as amended.)

The initial review of the program covering the years 1984-2001 was issued in May 2002 and covered four areas: (1) described the program historically; (2) described the applicant and recipient populations; (3) examined the repayment patterns; and (4) examined the degree to which teacher loan recipients are represented in SC's active teaching force. The findings and recommendations of the initial review were:

Findings

- The Teacher Loan Program is fulfilling the statutory mission to attract individuals into the teaching profession and into areas of critical need.
- The Student Loan Corporation has managed the program and the assets of the program well.
- Approximately half of the loan recipients teach at least a minimum number of years to repay the loans.
- The number of areas of critical need has increased since the inception of the program.
- The vast majority of loan recipients are white females.
- The collection of and sharing of data among the various partners in the program could be improved.

Recommendations

- 1 There needs to be better communication and sharing of data among the various partners of the program.
2. Additional data on why individuals who receive the loans but do not teach need to be collected.
3. Vigorous recruitment of African-Americans and males into the program is needed.
4. The impact on the program from South Carolina's multiple scholarship options needs to be studied.
5. Data on whether loan recipients teach in rural critical needs schools versus urban critical needs schools need to be collected and studied.
6. The General Assembly should develop long range goals and objectives for the Teacher Loan Program.

Prior to the completion of the review for the 2001-2002 school year the study was expanded to include the 2002-2003 school year and move the report date from May to September in an effort to bring the review in line with the budget development process. The primary research questions for the second report were:

1. How did the statistics of the two fiscal years compare to previous years?
2. What connection did the recipients of the TLP have with the various scholarship programs sponsored by the State of South Carolina?
3. How can the TLP contribute to the technical assistance programs that are part of the Accountability System?

The findings and recommendations from the September 2003 report were:

Findings

- The Teacher Loan Program continues to fulfill the statutory mission to attract individuals in to the teaching profession and into areas of critical need.
- White females constitute the vast majority of the applicants.
- The sharing of information among the various agencies involved with the program has improved.
- The scholarship programs established by the General Assembly have not negatively impacted on the TLP.
- There was a significant increase in the average SAT score of TLP applicants between 1998-1999 and 2002-2003.

Recommendations

1. The General Assembly should develop long range goals and objectives for the Teacher Loan Program.
2. The General Assembly should amend the enabling legislation for the program to allow the program to assist teachers in obtaining advanced degrees in exchange for service in critical geographic need schools.
3. Service in Unsatisfactory and Below Average Schools should not become a classification for designation of critical geographic need schools.
4. Movement of teachers educated with funds from the TLP from school to school should be studied to determine if the program has an impact on providing long term solutions to critical geographic need schools.
5. A study should be conducted to determine why roughly half of the loan recipients pay back the loans in monthly installments instead of through cancellation.

The EIA and Improvement Mechanisms Subcommittee of the Education Oversight Committee (EOC), in response to the report released in 2003, requested the staff of the EOC to develop

goals and objectives for the TLP for submission to the legislature for their consideration. The outcome of that request will be presented later in this report.

To complete the review of the program for 2003-04, the following questions were addressed:

1. How did the statistics of the fiscal year compare to previous years?
2. What was the movement pattern of teachers that received loans during the period of cancellation and after the loan was cancelled?
3. What are the appropriate goals and objectives for the program based on data on teacher preparation, retention and recruitment, and on data about the TLP?
4. What issues and challenges for the TLP are revealed after careful consideration of the pertinent data about the program?

Summary of the Teacher Loan Program

The Teacher Loan Program was established within the Education Improvement Act of 1984. The program is intended to provide loans enabling qualified state residents to attend public or private colleges and universities for the purpose of becoming certified teachers employed in areas of critical need. Critical need is defined as either a critical geographic or certification area in accordance with actions of the State Board of Education. A percentage of the loan is cancelled by fulfillment of the teaching requirement. The Teacher Loan Program is exemplary of programs offered in almost every state and is linked historically to similar efforts by the federal government. The South Carolina Student Loan Corporation (SLC) administers the program. The SLC is a private entity that administers several federal loan programs.

With funds from the Education Improvement Act Trust Fund, the General Assembly has appropriated monies to support the loan program in the amounts shown in Table 1. Data in the table also include the administrative costs of the program and the amount of funds utilized from repayments.

Table 1
SC Teacher Loan Program: Revenues and Loans Over Time

Year	Appropriation	Legislatively Mandated Transfers	Revolving Funds from Repayments	Total Dollars Available	Administrative Costs	Percent of Total Dollars Spent on Administration	Amount Loaned
1984-85	1,500,000	0	0	1,500,000	124,033	8.3	300,000
1985-86	1,250,000	0	0	1,250,000	71,214	5.7	1,008,115
1986-87	1,943,059	75,000	0	1,943,059	84,376	4.3	1,776,234
1987-88	2,225,000	75,000	100,000	2,325,000	98,976	4.3	2,277,402
1988-89	2,925,000	75,000	350,000	3,275,000	126,941	3.9	2,889,955
1989-90	3,300,000	0	300,000	3,600,000	154,927	4.3	3,284,632
1990-91	4,600,000	1,000,000	300,000	4,900,000	210,741	4.3	3,978,476
1991-92	4,600,000	1,000,000	900,000	5,500,000	217,981	4.0	4,350,908

Year	Appropriation	Legislatively Mandated Transfers	Revolving Funds from Repayments	Total Dollars Available	Administrative Costs	Percent of Total Dollars Spent on Administration	Amount Loaned
1992-93	4,775,000	1,175,000	1,350,000	6,125,000	248,703	4.1	4,628,259
1993-94	4,775,000	1,175,000	1,350,000	6,125,000	254,398	4.2	4,805,391
1994-95	5,016,250	1,233,750	1,135,000	6,151,250	272,260	4.4	4,761,397
1995-96	3,016,250	0	1,885,000	4,901,000	219,058	4.5	3,999,053
1996-97	3,016,250	0	1,108,500	4,124,500	222,557	5.4	3,936,538
1997-98	3,016,250	0	2,067,000	5,083,000	248,704	4.9	4,393,679
1998-99	3,016,250	1,000,000	2,565,000	4,581,250	295,790	6.5	4,423,446
1999-2000	3,016,250	1,000,000	2,550,000	4,566,250	272,115	5.0	4,240,693
2000-2001	3,916,250	0	3,000,000	6,916,250	279,800	4.1	5,556,854
2001-2002	3,016,250	145,216*	3,265,000	6,136,034	321,058	5.2	5,815,382
2002-2003	2,863,826	144,471*	2,950,000	5,669,355	346,601	6.1	5,332,946
2003-2004	3,016,250	129,980*	2,953,266	5,863,826	362,600	6.2	5,476,936
2004-2005	3,209,270	0	1,989,185	5,198,455	392,375	7.5	4,806,080

*Source: SC Student Loan Corporation, 1995-2004. See Appendix B for explanation of transfers. *mid-year budget cuts.*

To be eligible for a teacher loan the applicant must be: (1) a United States citizen; (2) a resident of South Carolina; (3) enrolled in good standing at an accredited public or private college or university on at least a half-time basis; and (4) enrolled in a program of teacher education or have expressed an intent to enroll in such a program (SC SLC, 2001). Loans are made to eligible applicants who have not defaulted on any other student loan. The academic criteria specify that entering freshmen must be in the top 40 percent of their high school graduating class and have an SAT or ACT score equal to or greater than the SC average for the year of graduation from high school or the most recent year for which data are available. Enrolled undergraduate students, including enrolled college freshmen, must have taken and passed the Praxis I, which replaced the SC Educator Entrance Examination (EEE), and have a cumulative grade point average of at least 2.75 on a 4.0 scale. Entering graduate students must have at least an undergraduate grade point average of 2.75 on a 4.0 scale. Graduate students who have completed at least one term must have a grade point average of 3.5 or better on a 4.0 scale and must be seeking initial certification in a critical subject area if the applicant already holds a teaching certificate.

In 2000, the General Assembly approved and funded an additional appropriation of \$2,000,000 from the General Fund for the Career Changers program. Participants in the South Carolina Program for Alternative Certification for Educators (PACE) also are eligible to receive loans from these funds to support completion of the courses required for certification. This program is designed to recruit individuals who have possessed a baccalaureate degree for at least three years or are instructional assistants in the SC public school system and have been employed on a full-time basis for a minimum of three years (or the part-time equivalent of three years). The

budget for the Career Changers was reduced in 2002-2003 to \$1,659,800 but the appropriation was increased to \$1,814,933 for 2003-2004.

The amount of loan awarded varies depending upon student status. College freshmen and sophomores may borrow up to \$2,500 per year. Juniors, seniors and graduate students may borrow up to \$5,000 per year, though no individual may borrow more than \$15,000. PACE participants may borrow up to \$1,000 per year, not to exceed an aggregate maximum of \$5,000. Career Changers may borrow up to \$15,000 per year and up to an aggregate maximum of \$60,000.

Loans may be repaid or cancelled by fulfilling teaching requirements. Loans are cancelled at the rate of 20 percent or \$3,000, whichever is greater, for each full year of teaching in a critical subject or critical geographic need school within South Carolina. Should the recipient teach both in a critical subject and a critical geographic need school, the loan is cancelled at the rate of 33 percent or \$5,000, whichever is greater. If the recipient chooses to repay the loan, the payment schedule includes an interest rate that is set 2 percent higher than the federal Stafford loans, but the rate is not to exceed 10.25 percent. Presently the interest rate is 4.77 percent for individuals still enrolled in school and benefiting from the program and 5.37 percent for individuals in repayment status.

The amount a TLP applicant is eligible to receive has not changed since the beginning of the program in 1984-1985, yet tuition and fees have increased each year since inception. In 1984-85, tuition for the University of South Carolina in Columbia was \$1,440; in 2003-04, tuition was \$5,778, an increase of 301.25%. Similar increases can be documented at Clemson, The Citadel, Winthrop, College of Charleston, South Carolina State and Francis Marion. See Table 2 below.

Table 2
Comparison of Public College Tuition, 1984-85 to 2003-04

Institution	Tuition, 84-85	Tuition, 03-04	\$ Increase	% Increase
USC, Columbia	\$1,440	\$5,778	\$4,338	301.25
Clemson	\$1,652	\$6,934	\$5,282	319.73
The Citadel	\$1,640	\$4,999	\$3,359	204.81
College of Charleston	\$1,470	\$5,770	\$4,300	292.51
Francis Marion	\$1,020	\$5,082	\$4,062	398.23
South Carolina State	\$1,050	\$5,570	\$4,520	430.47
Winthrop	\$1,272	\$6,652	\$5,380	422.95

Tuition at private colleges has increased as well, though statistics as far back as 1984-85 were not available. Table 3 below shows the increase in tuition at selected private South Carolina institutions between 2001-02 and 2003-04.

Table 3
Comparison of Private College Tuition, 2001-02 to 2003-04

Institution	Tuition, 01-02	Tuition, 03-04	\$ Increase	% Increase
Benedict College	\$9,764	\$10,498	\$734	7.51
Columbia College	\$15,870	\$17,280	\$1,410	8.88
Converse College	\$16,850	\$18,915	\$2,065	12.25
Furman University	\$20,076	\$22,712	\$2,636	13.13
Morris College	\$6,685	\$7,410	\$725	10.84
Presbyterian College	\$16,656	\$18,360	\$1,704	10.23
Wofford College	\$18,665	\$20,610	\$1,945	10.42

The tuition figures do not include the cost of room and board, books or transportation for students. Room and board at private institutions ranged in 2003-04 from a low of \$3,564 at Morris College to a high of \$6,326 at Presbyterian College; at public institutions the range was \$3,840 at South Carolina State to \$6,117 at the College of Charleston. Clearly the total loan amount available through the TLP (\$15,000) no longer meets the financial needs of the prospective education major.

Critical Need Identification

The General Assembly assigned the duty of defining the critical need areas to the State Board of Education in the Education Improvement Act: "Areas of critical need shall include both rural areas and areas of teacher certification and shall be defined annually for that purpose by the State Board of Education." Beginning in the fall of 1984, the State Board of Education has defined the certification and geographic areas considered critical and subsequently those teaching assignments eligible for cancellation. Only two subject areas – mathematics and science - were designated critical during the early years of the programs, but recent teacher shortages have expanded the number of certification areas. To determine the subject areas, the South Carolina Center for Teacher Recruitment conducts a Supply and Demand Survey of all 85 South Carolina school districts. Beginning in 2002-2003, subject areas with twenty percent or higher vacancy and/or are filled with candidates who are not fully certified in the subject area are designated critical need. The certification areas designated critical for 2004-2005 include:

- Art
- Biology
- Business Education
- Chemistry
- English/Language Arts
- Family and Consumer Science
- Foreign Languages (Spanish, French, German, and Latin)
- Guidance
- Industrial Technology
- Mathematics
- Media Specialist
- Music
- Physics
- Science
- Special Education (all areas)
- Speech and Drama, Theater

The State Board of Education had considered multiple factors in designating rural critical geographic areas over the last twenty years, including degree of wealth, distance from shopping and entertainment centers, and faculty turnover. Over the life of the program, the designation of critical geographic area has changed. In 1984-1985, 69 of the 91 school districts qualified as critical geographic districts. In 1994, schools in urban districts that had one of the fifteen highest average teacher turnover rates over the previous three years were designated as critical geographic need schools. Then, at the beginning of the 2000-2001 school year, the State Board of Education adopted the criteria established for the federally funded Perkins Loan Program as the criteria for determining critical need schools. The Perkins Loan Program uses free and reduced lunch figures to determine schools eligible for loan forgiveness. For the 2002-2003 and 2003-2004 school years, 984 of the 1106, or South Carolina public schools (89%) qualified for critical geographic need.

During the 2004 legislative session, changes were made to the definition of critical geographic area through H. 4740 and Proviso 1A. 50. Beginning July 1, 2004, schools had to meet one of three criteria to qualify for critical geographic area: 1) have an Absolute rating of Below Average or Unsatisfactory on the school report card; 2) have an average teacher turnover rate for the past three years that is 20 percent or higher; or, 3) meets the poverty index criteria at the 70 percent level or higher. Loan recipients serving in schools identified as critical geographic need under the Perkins Loan criteria are able to continue to cancel their loans at those schools through a grandfather provision. The net effect of the change in the law is that for 2004-2005 only 534 of the 1106 public schools, 48.28 percent, qualify for critical geographic need designation. Over time this reduction may result in more recipients paying back the loan rather than canceling the loan by teaching at a qualifying geographic need school. The change in the critical geographic need designation, however, will not affect the number of teachers qualifying for cancellation based on the critical need subject area, but may affect how quickly some teachers will be able to cancel their loans.

Of utmost interest is whether the TLP is providing long term solutions to staffing in critical geographic need schools or whether teachers are staying in the schools just long enough to completely cancel their loan. If the teachers are moving at the end of the cancellation period or migrating from school to school on a frequent basis, then the TLP is not meeting one of the goals of the program: to help solve the staffing needs of critical geographic need schools on a stable basis. An analysis of the data from loan cancellation files found that 2,054 individuals have completed cancellation of their loans during and after the 1994-95 academic year. Of those individuals, 77.5 percent (1,592 of 2,054) have taught in only one or two schools during their career. Only twenty-nine individuals have taught in five or more schools. Furthermore, for individuals teaching and still in the process of canceling their loans, 93 percent (1,888 of 2,030) have taught at only one or two schools; only five have taught in five or more schools. Overall, recipients of loans do not appear to change schools frequently or leave the qualifying school immediately after completing cancellation; thus, the program is helping provide some stability in school staffing. The pattern may change in the future, however, as a result of the reduction in the number of schools qualifying for critical geographic need. Changes in the pattern may not appear until the next two to three classes of graduates enter the work force.

Update on Applicant Populations

During the first ten years of the Teacher Loan Program, 11,387 individuals received a loan through the Teacher Loan Program (duplicated count, SLC). Specific demographic information is not available for these recipients, but information on applicants since 1994-1995 is available. Those records were reviewed to gain an understanding of who applied for and who received the teacher loans. Since 1994-1995, the SLC received 18,635 applications for the Teacher Loan Program. The number of applicants is a duplicated count as one applicant could have applied for loans in multiple years. Of the 18,635 applications, 67.9 percent were approved; 26 percent were denied and 6.1 percent cancelled the application. Applications generally were denied for failure to meet the academic grade point criteria (46.4 percent) or for having not passed the EEE or Praxis I, (18.2 percent). The data presented in Table 4 indicates some applications in 1994-95, 1995-96, 2001-2002, 2002-2003 and 2003-2004 were denied because of inadequate funds available for the program (approximately 10 to 24 percent the first two years, but less than seven percent the last three years).

Table 4
Application Status of Applicants 1994-95 through 2003-2004

Year	Total Applied*	Approved # (%)	Application Cancelled # (%)	Denied # (%)	Reason for Denial				
					Credit Problem	Academic Reason	No EEE Praxis	Other**	Inadequate loan funds
1994-95	2,242	1,416 (63.2)	176 (7.8)	650 (29)	48	241	69	52	240
1995-96	2,024	986 (48.7)	176 (8.7)	862 (42.6)	8	229	115	20	490
1996-97	1,446	982 (67.9)	118 (8.2)	346 (23.9)	5	262	51	28	
1997-98	1,545	1,117 (72.3)	119 (7.7)	309 (20)	3	201	63	42	
1998-99	1,569	1,138 (72.5)	128 (8.2)	303 (19.3)	10	182	54	57	
1999-00	1,532	1,121 (73.2)	85 (5.5)	326 (21.3)	6	206	69	45	
2000-01	2,028	1,495 (73.8)	112 (5.5)	420 (20.7)	16	244	86	74	
2001-02	2,297	1,536 (66.9)	106 (4.7)	655 (28.5)	8	312	122	56	157
2002-03	2,004	1,332 (66.5)	110 (5.5)	562 (28)	3	219	139	73	126
2003-04	1,948	1,345 (69)	118 (6.1)	485 (24.9)	1	189	125	66	104
TOTAL 1995-2004	18,635	12,468(67.9)	1,248 (6.1)	4,919 (26)	108 (2.2)	2,285 (46.4)	893(18.2)	513(10.4)	1,117 (22.7)

*This is a duplicated count of individuals because the same individuals may apply for loans in multiple years.

**"Other" reasons include (1) not a SC resident, (2) enrollment less than half time, (3) ineligible critical area, (4) not seeking initial certification and (5) received the maximum annual and/or cumulative loan.

Source: SC Student Loan Corporation, 1995-2004.

Applicants for the program remain overwhelmingly white and/or female. However, the percentage of students failing to report their gender and/or race has increased over the past few years, a trend that many institutions of higher learning and the College Board have experienced as well. The percentage of male applicants increased this year to thirteen percent and still remains at fourteen percent of the applicants.

Table 5
Distribution of Applicants to the Teacher Loan Program by Gender
1994-95 through 2003-2004

Year	Number Applied	Gender					
		Male		Female		Unknown	
		#	%	#	%	#	%
1994-95	2,242	246	11	1,476	66	520	23
1995-96	2,024	305	15	1,692	84	27	1
1996-97	1,446	195	13	1,189	82	62	4
1997-98	1,545	247	16	1,241	80	57	4
1998-99	1,569	261	17	1,267	81	41	3
1999-00	1,532	263	17	1,212	79	57	4
2000-01	2,028	299	15	1,628	80	101	5
2001-02	2,297	288	13	1,769	77	240	10
2002-03	2,004	246	12	1,599	80	159	8
2003-04	1,948	253	13	1,480	76	215	11
TOTAL	18,635	2,603	14	14,553	78	1,479	8

Source: SC Student Loan Corporation, 1995- 2004.

Table 6
Distribution of Applicants to the Teacher Loan Program by Race/Ethnicity
1994-95 through 2003-2004

Year	Number Applied	Ethnicity							
		African-American		Other		White		Unknown	
		#	%	#	%	#	%	#	%
1994-95	2,242	210	9	20	1	1,580	70	432	19
1995-96	2,024	271	13	31	2	1,664	82	58	3
1996-97	1,446	236	16	14	1	1,115	77	81	6
1997-98	1,545	258	17	12	1	1,195	77	80	5
1998-99	1,569	301	19	9	1	1,193	76	66	4
1999-00	1,532	278	18	14	1	1,164	76	76	5
2000-01	2,028	310	15	25	1	1,555	77	138	7

Year	Number Applied	Ethnicity							
		African-American		Other		White		Unknown	
		#	%	#	%	#	%	#	%
2001-02	2,297	361	16	15	1	1,630	71	291	13
2002-03	2,004	280	14	14	1	1,506	75	204	10
2003-04	1,948	252	13	13	<1	1,426	73	257	13
TOTAL	18,635	2,757	15	167	<1	14,028	75	1,683	9

Source: SC Student Loan Corporation, 1995-2004.

Neither the program-enabling legislation nor related regulations establishes a program objective addressing different demographic groups. Twice, however, money from the program was earmarked for minority recruitment. From 1986-1987 through 1988-89, \$75,000 was earmarked for South Carolina State University to recruit minority students. And in 1995-96, a proviso set aside up to \$5,000 per district for qualified minority students. Neither recruitment program appears to have impacted the Teacher Loan Program. South Carolina State University now receives a separate allocation for minority student recruitment. The allocation was \$467,000 in 2003-2004. Loan recipients at the historically African-American institutions, however, is disturbingly low, with Claflin and Morris Colleges having no recipients in 2003-2004, Benedict College having only two recipients, and South Carolina State University having twenty-six of the 123 African American recipients.

The TLP continues to appeal overwhelmingly to undergraduate applicants. Table 7 showcases applicant patterns by academic status. Although only 20 percent of program applicants are freshmen, consistently 60 percent are continuing undergraduates. This may reflect that students are more willing to commit to a professional program after their initial year of post-secondary education. Another factor could be that many freshmen do not commit to any major. Interviews with potential graduate student loan applicants identified a hesitancy to participate in the program because they were uncertain about where they might be living after completing their degrees (due to marriage or impending marriage).

Table 7
Distribution of Applicants to the Teacher Loan Program by Academic Level Status
1994-95 through 2003-2004

Year	Number Applied	Academic Level Status									
		Freshman		Continuing Undergrad		1 st Semester Graduate		Continuing Graduate		Unknown	
		#	%	#	%	#	%	#	%	#	%
1994-95	2,242	491	22	1,403	60	76	3	171	8	101	5
1995-96	2,024	435	21	1,280	60	92	4	155	8	62	3
1996-97	1,446	261	18	897	60	73	10	164	11	51	4
1997-98	1,545	272	18	876	60	138	10	202	13	57	4
1998-99	1,569	295	19	856	60	146	10	224	14	48	3
1999-00	1,532	331	22	863	60	135	10	196	13	7	<1
2000-01	2,028	440	22	1,087	50	194	10	300	15	7	1

Year	Number Applied	Academic Level Status									
		Freshman		Continuing Undergrad		1 st Semester Graduate		Continuing Graduate		Unknown	
		#	%	#	%	#	%	#	%	#	%
2001-02	2,297	545	24	1,241	54	215	9	291	13	5	<1
2002-03	2,004	336	17	1,183	59	205	10	277	14	3	<1
2003-04	1,948	298	15	1,177	60	194	10	263	14	16	<1
TOTAL	18,635	3,704	20	10,863	58	1,468	8	2,243	12	357	2

Source: SC Student Loan Corporation, 1995-2004

While freshmen have been twenty percent of the applicants, they have received twenty-two percent of the loans during the period 1994-2004. Continuing undergraduates, including fifth year undergraduates, have received sixty-nine percent of the loans, while graduate students have received nine percent of the loans. Of interest is the fact that while freshmen received twenty-two percent of the loans, sophomores received only twelve percent of the loans. Why the drop in loans to sophomores? There are several possible explanations including individuals deciding that they do not want to become teachers, people leaving school after freshman year, and individuals no longer meeting the qualifications to receive the loans. There are two primary reasons sophomores may no longer qualify for the loan: their GPA is below a 2.5 and/or they have not passed the Praxis I test required for entrance into an education program. There are no data on how many of the applicants rejected for not having passed the Praxis I exam were rejected for actually failing the exam or simply had not taken the exam. Either way, the applicant would not qualify for additional TLP loans until the Praxis I was passed. A quick look at the loan applications for 2004-05 found that of the 168 freshmen that received a loan in 2003-04, only 104 applied for loans in 2004-05 by the time of this report. Of those 104 applicants, only fifty-two were approved for a loan, thirteen were rejected for having a GPA that was too low, twenty-two were rejected because they had not passed the Praxis, sixteen were denied because the program was out of money, and one application was withdrawn. For 2004-05, only thirty-one percent of the 2003-04 freshmen class will receive a TLP loan.

In contrast, in 2003-04 114 sophomores received a loan. For the 2004-05 academic year 111 reapplied for a loan by the time of this report, with 102 receiving a loan, four canceling the application, four denied for lack of funds, and one denied for not having passed the Praxis I (students receiving money for the first time during their sophomore year have one year to pass the Praxis I like freshmen). Almost 89.5 percent of the sophomores in 2003-04 will receive money in 2004-05, and 97.4 percent reapplied, compared to only 61.9 percent of the freshmen.

Table 8
Distribution of Recipients of the Teacher Loan Program by Academic Level Status
1994-95 through 2003-2004

	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04
Freshmen	268	8	137	173	292	225	291	318	183	168
Sophomores	143	108	71	105	107	93	145	166	143	114
Juniors	290	246	228	225	228	205	278	306	274	317
Seniors	381	395	359	338	330	324	376	400	396	386
5 th Yr Undergraduates	37	34	31	37	34	36	48	35	31	55
1 st Yr Graduates	64	91	70	165	168	143	231	208	218	187
2 nd Yr Graduates	41	45	67	45	67	88	104	82	72	86
3+ Yr Graduates	12	3	18	22	8	7	19	8	13	26

Source: SC Student Loan Corporation, 1995-2004

As shown in Table 8 and Figure 1, between 1994-95 and 2003-04, the sophomore class usually has been much smaller than the freshmen class except in years that the program ran out of money (1996-97). The low retention rate of freshmen in the program raises the question of whether freshmen should be eligible for the loan. The data suggest that most freshmen should not be eligible; the only exception should be those students who participated in the Teacher Cadet program, a program to interest high school students in the teaching profession. Teacher Cadets usually know that they want to be teachers when they enter college, and as Table 9 shows, an average of thirty-six percent of TLP applicants have been Teacher Cadets.

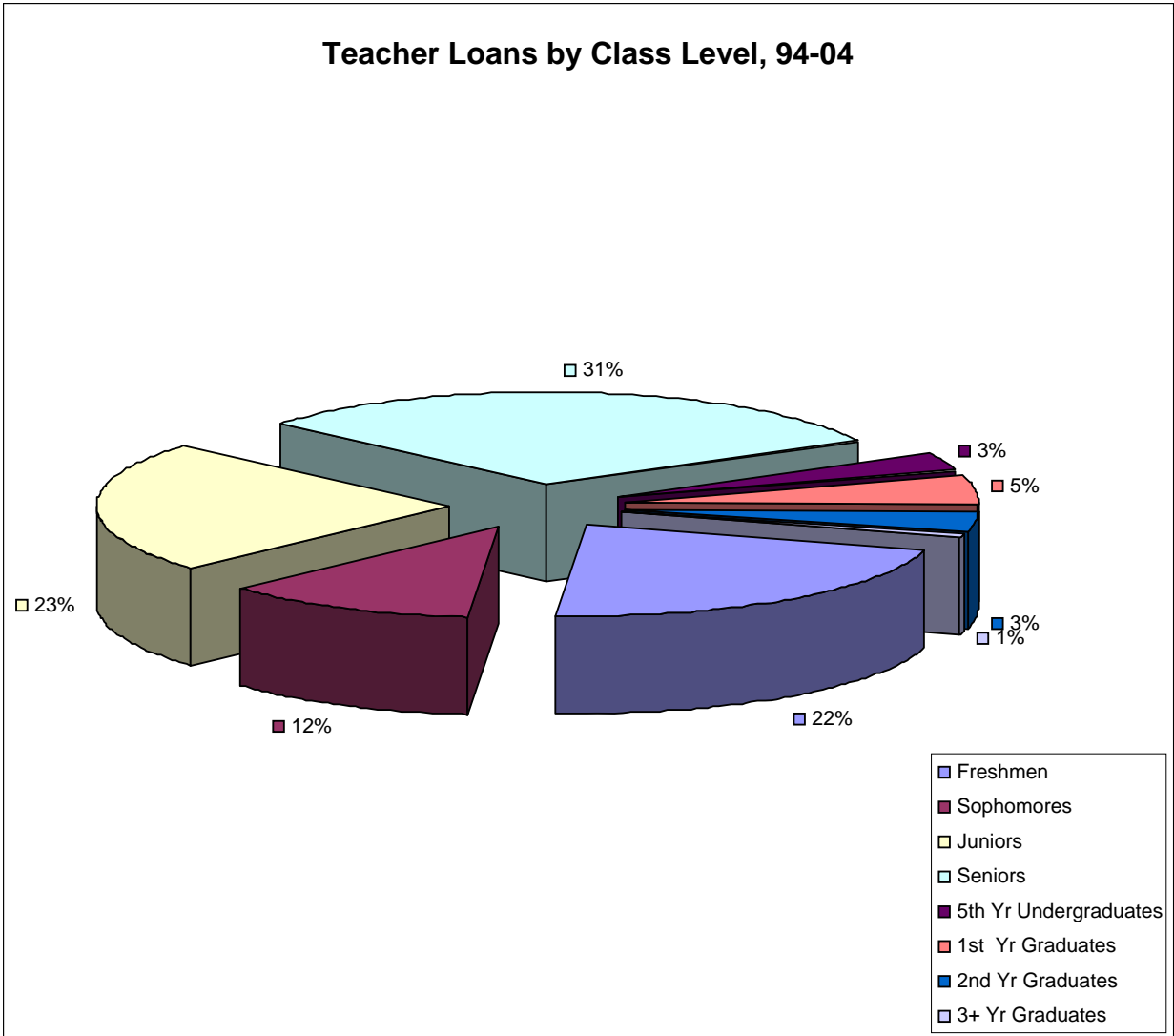


Figure 1: Percentage of Teacher Loans by Grade Level for 1994-2004.

The Center for Educator Recruitment, Retention, and Advancement of South Carolina (CERRA), formerly the SC Center for Teacher Recruitment, coordinates the Teacher Cadet Program. As reported by CERRA, the mission of the Teacher Cadet Program "is to encourage academically talented or capable students who possess exemplary interpersonal and leadership skills to consider teaching as a career. . . . An important secondary goal of the program is to provide these talented future community leaders with insights about teaching and school so that they will be civic advocates of education." Teacher Cadets must have at least a 3.0 average in a college preparatory curriculum, be recommended in writing by five teachers, and submit an essay on why he/she wants to participate in the class. In 2002-2003 the program was in 140 South Carolina high schools and enrolled 2,302 academically talented high school juniors and seniors. In 2003-2004, 2,219 students were enrolled in Teacher Cadet in 134 schools. CERRA reported that for the 2004-2005 school year they were able to recruit five new schools to the program, revive the program at six additional schools, but lost the program at four schools due to staffing issues connected to budget constraints, leading to a total of 160 classes in 145 schools. Overall, the Teacher Cadet program has been in 156 high schools over the last three years, or about seventy-five percent of South Carolina public schools (CERRA, 2004).

Table 9
Distribution of Applicants to the Teacher Loan Program by Teacher Cadet Program Participation
1994-95 through 2003-2004

Year	Number Applied	Teacher Cadets	%	Not Teacher Cadets	%	UNKN OWN	%
1994-95	2,242	761	34	1,348	60	133	6
1995-96	2,024	751	37	1,203	59	70	3
1996-97	1,446	537	37	864	60	45	3
1997-98	1,545	545	35	946	61	54	4
1998-99	1,569	577	37	939	60	53	3
1999-00	1,532	560	37	896	58	76	5
2000-01	2,028	685	34	1,245	61	98	5
2001-02	2,297	773	34	1,269	60	155	7
2002-03	2,004	727	36	1,209	60	68	3
2003-04	1,948	669	34	1,186	61	93	5
TOTAL	18,635	6,585	35	11,205	60	845	5

Source: SC Student Loan Corporation, 1995-2004

Other factors continue to influence who applies for a Teacher Loan. Additional interviews with staff members of the Commission on Higher Education, former education majors and people familiar with college admissions and financial aid procedures, confirmed previous data that financial aid officers focus on finding students grant opportunities before pursuing loans. Obviously a grant of money is better for a student than taking out a loan, but by steering students away from the Teacher Loan Program, financial aid officers may be affecting the

number of students who become teachers. Another factor affecting applications from enrolling freshmen is that many high school guidance counselors do not know about and/or do not tell graduating seniors about the Teacher Loan Program. More often than not, students learn about the Teacher Loan Program through the schools of education at their institutions of higher learning after they have started taking education classes.

One important factor with the potential to influence the application pool for the TLP is the economy and the budget situation of the institutions of higher learning. Applications increased thirteen percent from 2000-01 to 2001-2002. The spring of 2001 saw a five percent budget cut by the state and the state supported institutions of higher learning raised their tuition. The increase came late in the financial planning process for many students and therefore, more students may have applied for the loans. The budget expectations and impending tuition increases were expected by students for the 2002-03 school year and the rate of applications returned to the same virtual rate as 2000-2001. The number of applications in 2003-2004 remained consistent with the previous year.

An issue raised in the Initial Annual Review in May 2002 was whether the newly created scholarship programs for colleges and universities in the state were adversely affecting the TLP. The four scholarship programs in question include the Teaching Fellows Program created in 1999 to recruit up to 200 high achieving high school seniors each year into teaching, the Palmetto Fellows Program, the Life Scholarships, and the Hope Scholarships.

Students who receive a Teaching Fellows award go through a rigorous selection process and are awarded up to \$6000 per year as long as they continue to meet minimum criteria. Recipients agree to teach in South Carolina at least one year for each year they receive an award and they sign a promissory note that requires repayment of the scholarship should they not teach. In addition to being an award instead of a loan, the Teaching Fellows Program differs from the Teacher Loan Program in that recipients do not have to commit to teaching in a critical need subject or geographic area to receive the award.

The Palmetto Fellows Program and the Life Scholarships both award students scholarships based on academic achievement, but neither has any direct connection to teacher recruitment. Palmetto Fellows meet rigorous selection criteria to receive an award of up to \$6,700 per year, depending on available funding. Students keep their awards as long as they maintain minimum requirements. Recipients of Life Scholarships, a program created in 1998, receive up to \$5,000 per year, depending on available funding and tuition at the receiving institution. The \$5,000

award includes \$300 for books and \$4,700 towards tuition. Students are eligible to receive a Life Scholarship if they meet two of three criteria: 1,100 or better on the SAT, a 3.00 grade point average, and/or rank in the top 30% of their graduating class. Students may not receive both a Palmetto Fellows and Life Scholarship at the same time, but they may receive a Teaching Fellows award simultaneously. Hope Scholarships, created by the legislature in 2001, are presented to students who do not qualify for the Life Scholarships and are good for the freshman year only. The program has no direct connection to teacher recruitment.

Concern was raised in the 2002 report about whether these scholarship programs directed students away from the teaching profession. Working with the Commission on Higher Education, the Student Loan Corporation and the South Carolina Department of Education, specific data files from the three organizations were merged and cross-referenced to determine how the scholarship programs were interacting with the TLP and affecting the teaching pool. Table 10 shows the number of teachers in South Carolina over the last five years who have participated in either the Hope, Life or Palmetto Fellows programs. The first class of graduates from the Teaching Fellows Program was in the spring of 2004. There have not been any graduates of the Hope Scholarship program. The merged data found 687 recipients of the Life Scholarship teaching in South Carolina public schools in 2003-2004 and 27 Palmetto Fellows recipients. Considering the short time the Life Scholarship program has been in place the number is impressive and encouraging. The Life Scholarships are awarded only to South Carolina residents and are awarded to high achieving students, thus the state is keeping some of its brightest students in state and they are entering the field of education. The Palmetto Fellows numbers are not as encouraging but perhaps the number will increase in the future.

Table 10

Loan Recipients serving in South Carolina schools in 2003-04 matched with the Scholarship file

Scholarship	CAT_CODES	1998	1999	2000	2001	2002	2003	Grand Total
LIFE	Public Senior Inst.	282	286	220	138	61	1	988
	Reg. Campuses of USC	8	9	2				19
	Technical Colleges	15	6					21
	Independent Senior Inst.	135	126	96	49	25		431
Palmetto Fellows	Public Senior Inst.				22	9	2	33
	Independent Senior. Inst.					1		1
Grand Total		440	427	318	209	96	3	1493

Another issue raised by the creation of the programs revolved around how many students in each program were majoring in education. Table 11 shows the number of scholarship recipients each year that declared as Education majors. It is a duplicated count and it should be

remembered that students can lose and regain their scholarships based on academic performance.

Table 11
Students that received scholarships for each fall term
and had declared an Education Major

Scholarship	1998	1999	2000	2001	2002	2003	2004	Grand Total
Hope					210	256		466
LIFE	1,051	1,255	1,225	2,026	2,577	2,865		10,999
Palmetto Fellows				206	203	245		654
Total	1,051	1,255	1,225	2,232	2,990	3,366		12,119

Table 12
Number of Scholarships Recipients

Scholarship	1998	1999	2000	2001	2002	2003	2004	Grand Total
Hope					2,085	2,324		4,409
LIFE	14,618	16,374	16,560	19,469	23,330	25,450		115,801
Palmetto Fellows				2,606	2,915	3,358		8,879
Total	14,618	16,374	16,560	22,075	28,330	31,132		129,089

Source: Commission on Higher Education, 2004.

In the first year of the Life Scholarships 7.2 percent of the recipients declared as education majors. The next year the percentage increased slightly, then fell again in 2000, but over the last three years has grown to over 11.25 percent. The percentage of the first recipients of the Hope Scholarships was even greater at 14.3 percent, though the percentage of the recipients of the Palmetto Fellows has remained steady for the three years data was available at around 7.4 percent. Though the number of student scholarship recipients majoring in education is encouraging, the fact remains that the 3,366 scholarship candidates, even with the 1,339 TLP recipients will not provide enough new classroom teachers to meet the needs of South Carolina.

One positive trend about TLP loan applicants may be attributed to the various scholarships programs: a significant increase in the average SAT score for loan applicants. As stated above, applicants for the TLP are required to have an SAT or ACT score equal to or greater than the SC average for the year of graduation from high school or the most recent year for which data are available. Concern over many of South Carolina's brightest students to schools outside the state was one reason for the creation of the various scholarship programs; yet it was unknown whether the scholarships would adversely affect who applied and received loans through the TLP, specifically, would the SAT scores of TLP recipients increase, decrease or remain stagnant. As Table 11 shows, the average SAT score for TLP applicants has increased from slightly over 961 in 1998-1999 to 1056 in 2003-2004. This last average score is well above the national SAT average for 2003. Perhaps the loan program is benefiting from the scholarship

programs by keeping the better students in state; keeping them in state to work will be a greater challenge.

Table 13
Average SAT Scores of Loan Recipients

ACAD_YR	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Average
Aver SAT score	961.1	960.9	971.3	997.9	1024.1	1056.0	995.2

Repayment Patterns

The Teacher Loan Program allows recipients to have their loans cancelled by teaching or to repay the loan through monthly payments with interest. In the Initial Review of the TLP repayment data indicated that about half of the loan recipients repay their loan in monthly payments, more than 40 percent are canceling by fulfilling the teaching requirements, while about 10 percent of them are using a combination of teaching and monthly payments. These repayment patterns continued through the 2003-2004 fiscal year. In the future, this area of interest should be researched more fully to determine why the people who are repaying the loan through monthly payments did not enter the teaching field or taught at a school that did not qualify for cancellation status.

Loan Recipients Who Serve Currently in SC Public Schools

After merging of the data files from Student Loan Corporation (SLC) and State Department of Education (SDE), 4,108 loan recipients between the years of 1994-1995 and 2003-2004 were identified as serving in the South Carolina public school system in Fall 2003. Among the 4,108 individuals, 87.1 percent are female, 11.2 percent male and 1.6 percent are unknown. About 83 percent of them are Caucasians, 12 percent African Americans, and 5 percent Asian, Hispanic, American Indian or unknown. More than one third of them (1,858) were in the process of paying back the loan by teaching, about 31 percent of them (1,704) already had their loans cancelled by fulfilling the teaching requirements.

Table 14
Loan Recipients in South Carolina Schools by Gender and Ethnicity

Gender	Number	Percent
Male	462	11.2
Female	3,579	87.1
Unknown	67	1.6
Ethnicity		
African American	512	12.5
Caucasian	3,407	82.9
Asian	10	0.24
Hispanic	17	0.41
American Indian	2	0.04
Unknown	160	3.89
Total	4,108	100.0

Another 1,040 loan recipients who received loans prior to 1994-1995 were still teaching in South Carolina public schools.

Table 15
Loan Status of Recipients in South Carolina Schools as of 2003-2004

Loan Status Code	Loan Status	Number	Percent
D10	In school deferment	1	0.02%
D15	In school deferment/First loan after 7/01/93	4	0.07%
D42	Teaching cancellation (in process)	1858	33.61%
F12	No pay forbearance	19	0.34%
F20	Administrative forbearance	3	0.05%
FA1	No Pay	8	0.14%
FA2	Administrative deference	4	0.07%
FDD	Forbearance for borrowers intend on re-enrolling	1	0.02%
FDR	No Pay 20% Debt Ratio	2	0.04%
FFT	No Pay Non-Guarantee Teacher Group	13	0.24%
FVN	Verbal No Pay Forbearance	8	0.14%
I30	In school	31	0.56%
I40	In grace	20	0.36%
P30	Repaying the loan by borrower	352	6.37%
P90	Paid in full by borrower	1463	26.47%
P92	Paid in full by teacher cancellation	1704	30.82%
P96	Paid in full due to consolidation	32	0.58%
P97	Paid in full by claim	4	0.07%
P98	Written off	1	0.02%
Total		5,528	100%

Source: SC Student Loan Corporation records.

The following table presents areas of certification for the 4,108 loan recipients since 1994-1995 who were serving in SC public schools as of 2003-2004 school year. Just under 48 percent (1,959) are certified in elementary education, 7 percent (280) in mathematics, 5 percent (188) in English, 11 percent (450) in early childhood education, 2.5 percent (101) in science, and about 10 percent (419) in special education. Nearly 95 percent (3,624 of 3,826) of the individuals' primary certification is as classroom teachers, child development or kindergarten teachers or special education teachers.

Table 16
Loan Recipients Serving in SC Public Schools as of 2003-2004
Primary Area of Certification

Certification Code	Certification Subject	Number certified	Certification Code	Certification Subject	Number certified
			21	HISTORY	3
AU	DRAFTING	0	26	PSYCHOLOGY	2
1H	MIDDLE LEVEL SS	14	27	SOCIOLOGY	0
GT	GIFTED AND TALENTED	0	29	IND. TECH. EDUC.	4
01	ELEMENTARY	1959	30	AGRICULTURE	2
02	GENERIC SPEC. EDUC.	140	32	DISTRIBUTIVE ED.	2
03	SPEECH CORRECTIONIST	128	35	HOME ECONOMICS	8
04	ENGLISH	188	36	INDUSTRIAL ARTS	0
05	FRENCH	27	40	OFFICE OCCUPATIONS	2
06	LATIN	1	44	ACCOUNT. & RE. BUS.	0
07	SPANISH	50	46	DATA INFO. PROCESS	1
08	GERMAN	5	47	BUSINESS EDUCATION	44
1A	MID. SCH. LANG. ARTS	0	50	ART	53
1C	MID. SCHOOL SCIENCE	1	51	MUSIC ED. CHORAL	39
1D	MID. SCH. SOC. STU.	4	53	MUSIC ED. VOICE	1

Certification Code	Certification Subject	Number certified	Certification Code	Certification Subject	Number certified
10	MATHEMATICS	280	54	MUSIC ED. INSTRUMENT	23
11	GENERAL MATHEMATICS	4	57	SPEECH & DRAMA	2
12	SCIENCE	101	60	MEDIA SPECIALIST	51
13	GENERAL SCIENCE	10	63	DRIVER TRAINING	2
14	BIOLOGY	45	64	HEALTH	1
15	CHEMISTRY	3	67	PHYSICAL EDUCATION	38
2A	SP/ED ED. MEN. RET	108	71	PRINCIPAL – ELEM.	7
2B	SP/ED VIS. HAND.	1	72	PRINCIPAL - HIGH.	1
2C	SP/ED. TR.MEN. RET	3	80	READING TEACHER	1
2D	SP/ED. HEARING HAND.	3	81	READING CONSULTANT	1
2E	SP/ED. EMOT. HAND.	57	84	SCHOOL PSYCH. II	2
2F	SP/ED. ORTH. HAND.	0	85	EARLY CHILDHOOD ED	450
2G	LEARNING DISABIL.	107	86	GUID. COUN. – ELEM.	14
20	SOCIAL STUDIES	101	89	GUIDANCE - SECOND	6
TOTAL				4,108	

Table 17
Loan Recipients Serving in SC Public Schools as of 2003-2004
Positions

Position Code	Position	Number	Percent
1	PRINCIPAL	83	2.02%
2	ASST. PRIN., CO-PRIN., CURR. COORD.	79	1.92%
3	SPECIAL EDUC. (ITINERANT)	22	0.54%
4	CHILD DEVELOPMENT	43	1.05%
5	KINDERGARTEN	160	3.89%
6	SPECIAL EDUC. (SELF-CONTAINED)	171	4.16%
7	SPECIAL EDUC. (RESOURCE)	142	3.46%
8	CLASSROOM TEACHER	2476	60.27%
9	OTHER PROFESSIONAL INSTR. STAFF	9	0.22%
10	LIBRARIAN/MEDIA SPECIALIST	69	1.68%
11	GUIDANCE COUNSELOR	125	3.04%
12	OTHER PROFESSIONAL INSTRUCTIONAL-ORIENTED STAFF	39	0.95%
13	DIRECTOR, VOC, ED, CTR	1	0.02%
15	COORDINATOR, JOB PLACEMENT	1	0.02%
16	DIRECTOR, ADULT EDUCATION	1	0.02%
17	SPEECH THERAPIST	59	1.44%
18	ROTC INSTRUCTOR	21	0.51%
19	TEMPORARY INSTRUCTIONAL-ORIENTED PERSONNEL	10	0.24%
20	DIRECTOR, FINANCE/BUSINESS MANAGER	7	0.17%
21	DISTRICT ACCOUNTANT/ACCOUNTING MANAGER	1	0.02%
24	SUPERVISOR, PAYROLL	2	0.05%
25	PURCHASING AGENT	1	0.02%
26	DIRECTOR, FOOD SERVICES	1	0.02%
27	TECHNOLOGY/IT PERSONNEL	2	0.05%
28	PERSONNEL DIRECTOR	5	0.12%
33	DIRECTOR, TECHNOLOGY	1	0.02%
34	DIRECTOR, TRANSPORTATION	2	0.05%
35	COORDINATOR, FEDERAL PROJECTS	3	0.07%
36	SCHOOL NURSE	32	0.78%
37	OCCUPATIONAL/PHYSICAL THERAPIST	11	0.27%
38	ORIENTATION/MOBILITY THERAPIST	1	0.02%
39	AUDIOLOGIST	3	0.07%
40	SOCIAL WORKER	5	0.12%
41	DIRECTOR, STUDENT SERVICES	4	0.10%
43	OTHER PROFESSIONAL NON-INSTR. STAFF	20	0.49%
44	TEACHER SPECIALIST	16	0.39%

Position Code	Position	Number	Percent
46	CONTRACT TEACHER	10	0.24%
47	ATHLETIC DIRECTOR	1	0.02%
48	ASSISTANT SUPERINTENDENT, NON-INSTRUCTION	2	0.05%
49	ASSISTANT SUPERINTENDENT, INSTRUCTION	4	0.10%
50	DISTRICT SUPERINTENDENT	6	0.15%
53	DIRECTOR, INSTRUCTION	1	0.02%
54	SUPERVISOR, ELEMENTARY EDUCATION	3	0.07%
55	SUPERVISOR, SECONDARY EDUCATION	2	0.05%
58	DIRECTOR, SPECIAL SERVICES	4	0.10%
59	DIRECTOR, EARLY CHILDHOOD DEVELOPMENT	2	0.05%
74	SCIENCE COORDINATOR	1	0.02%
76	COORDINATOR, SOCIAL SERVICES	1	0.02%
78	SPECIAL EDUCATION COORDINATOR	4	0.10%
83	COORDINATOR, PARENTING/FAMILY LITERACY	5	0.12%
85	PSYCHOLOGIST	29	0.71%
86	SUPPORT PERSONNEL	47	1.14%
89	TITLE I, INSTRUCTIONAL PARAPROFESSIONALS	188	4.58%
90	LIBRARY AIDES	10	0.24%
91	CHILD DEVELOPMENT AIDES	10	0.24%
92	KINDERGARTEN AIDES	24	0.58%
93	SPECIAL EDUCATION AIDES	64	1.56%
94	GENERAL TEACHER AIDES	33	0.80%
97	LITERACY COACH	10	0.24%
98	ADULT EDUCATION TEACHER	2	0.05%
99	OTHER COUNTY OFFICE/DISTRICT OFFICE STAFF	17	0.41%
TOTAL		4,108	100%

Table 17 indicates the actual position the 4,108 individuals who received loans between 1994-1995 and 2003-2004 were serving in the public schools. Almost 75 percent of the recipients were involved in direct classroom instruction (3,023 of 4,108), another sixteen individuals were serving as Teacher Specialists. Less than four percent of the individuals were building level administrators, and less than five percent were media specialists or guidance counselors.

Career Changer Program

As stated earlier, the Career Changers program was established in 2000 to assist individuals who want to become teachers and already have a bachelor's degree and work experience. The program has not been reviewed until now because there was little data on which to review the program. Table 18 contains the recipient data by gender. In many respects both the applicant and recipient data are similar to the TLP data. The vast majority are white females though the ratios fluctuate more from year to year than the rates in the TLP.

Table 18
Career Changer Recipients by Gender, 2000-2004

Year	Recipient Number	Gender					
		Male		Female		Unknown	
		#	%	#	%	#	%
2000-01	37	4	11	33	89	0	0
2001-02	120	25	21	94	78	1	>1
2002-03	109	21	19	81	74	7	6
2003-04	111	16	14	87	78	8	7
TOTAL	377	66	18	295	78	16	4

Source: SC Student Loan Corporation, 2000- 2004.

Table 19
Career Changer Recipients by Race, 2000-2004

Year	Recipient Number	Race							
		White		A-A		Other		Unknown	
		#	%	#	%	#	%	#	%
2000-01	37	29	78	6	16	1	3	1	3
2001-02	120	89	74	23	19	2	2	6	5
2002-03	109	87	80	13	12	0	0	9	8
2003-04	111	73	66	26	23	2	2	10	9
TOTAL	377	278	74	68	18	5	1	26	7

Source: SC Student Loan Corporation, 2000- 2004

An analysis of the data from the program reveals that 190 individuals have reached cancellation or repayment status. Of those individuals, 113 are presently teaching and having their loans cancelled, eight have had their loans completely cancelled through teaching and one person has taught but in not presently teaching. Fifty-four individuals are in the process of repaying their loans and eleven have completed repayment. Thus, sixty-six percent of the Career Changers receiving loans have entered teaching in a critical need area or school. It is unclear how many of the sixty-five individuals repaying the loans may be teaching but are not eligible for cancellation.

Goals and Objectives for the TLP

As part of the approval of the report on the TLP in 2003, the EIA and Improvement Mechanisms subcommittee of the Education Oversight Committee requested that staff develop goals and objectives for the TLP to be recommended to the General Assembly. An advisory committee on the TLP was formed with representatives from CERRA, the Student Loan Corporation, the Office of Teacher Quality at the State Department of Education, and the Commission on Higher Education. After review of the data, the committee recommends the following three goals and objectives for the Teacher Loan Program as a whole.

1. At a minimum, the percentage of African-American applicants and recipients of the TLP should mirror the percentage of African-Americans in the South Carolina teaching force (presently seventeen percent).
 - By Fiscal Year 2009, the percentage of African-American applicants and recipients of the TLP will mirror the percentage of African-Americans in the South Carolina teaching force.
2. At a minimum, the percentage of male applicants and recipients of the TLP should mirror the percentage of males in the South Carolina teaching force (presently seventeen percent).
 - By Fiscal Year 2009, the percentage of male applicants and recipients of the TLP will mirror the percentage of males in the South Carolina teaching force.
3. At a minimum, eighty percent of the individuals receiving loans each year under the TLP should enter the South Carolina teaching force (presently seventy-eight percent).
 - By Fiscal Year 2009, the percentage of TLP recipients entering the South Carolina teaching force will be eighty percent.

These goals and objectives are reasonable and obtainable. At present no goal is set for the percentage of recipients who choose to cancel their loans by teaching in a critical need or critical geographic area. Data on the effects of the new critical geographic area definition is needed to establish a well-informed goal.

Findings and Recommendations

Findings

- The Teacher Loan Program continues to fulfill the statutory mission to attract individuals into the teaching profession and into areas of critical need.
- The maximum amount of the TLP loan no longer meets the financial needs of the prospective education major.
- African-Americans and males are both underrepresented in applications and reception of loans compared to the percentage of each group in the teaching force.
- The sharing of information among the various agencies involved with the program continues to improve.
- The scholarship programs established by the General Assembly have not negatively impacted on the TLP.
- There was a significant increase in the average SAT score of TLP applicants between 1998-1999 and 2003-2004.

- There is a significant decrease in the number of sophomores participating in the program compared to freshman participation.
- The Career Changers Program is contributing to the number of teachers in the workforce.

Recommendations

1. The goals and objectives presented earlier in this report should be adopted by the General Assembly as the official goals and objectives of the program.
2. To achieve the goals and objectives for the program, a marketing program should be established at CERRA.
3. Freshmen should be excluded from the loan program unless the applicant participated in the Teacher Cadet program.
4. The amount a student can borrow each year and cumulative for the program should be increased.
5. The General Assembly should amend the enabling legislation for the program to allow the program to assist teachers in obtaining advanced degrees in exchange for service in critical geographic need schools.
6. The amount of funding for the program should be increased in order to raise the amounts students can borrow each year and cumulative.

Appendix

Explanation of Transfers

1986-87 \$75,000 transferred to South Carolina State University for minority recruitment.

1987-88 \$75,000 transferred to South Carolina State University for minority recruitment.

1988-89 \$75,000 transferred to South Carolina State University for minority recruitment.

1990-91 \$1,000,000 to the Governor's Teaching Scholarship Program.

1991-92 \$1,000,000 to the Governor's Teaching Scholarship Program.

1992-93 \$1,175,000 to the Governor's Teaching Scholarship Program.

1993-94 \$1,175,000 to the Governor's Teaching Scholarship Program.

1994-95 \$1,233,750 to the Governor's Teaching Scholarship Program.

1998-99 \$1,000,000 to the State Department of Education; \$650,000 for technology for school districts, \$350,000 for gifted and talented student identification.

1999-00 \$1,000,000 to the State Department of Education; \$650,000 for technology for school districts, \$350,000 for gifted and talented student identification.

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